

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

United States Courts
Southern District of Texas
FILED

FEB 14 2007

Michael N. Milby, Clerk of Court

UNITED STATES OF AMERICA,

v.

ANTHONY QUINN WELCH

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CRIMINAL NO.

H 07 44

INDICTMENT

The Grand Jury charges:

Introduction

At all times material to this Indictment:

1. Joe Bowden was a wage-earning taxpayer who played professional football for the Houston Oilers, the Tennessee Titans, and the Dallas Cowboys of the National Football League during the years 1997 through 2000; Bowden sought to have enough taxes withheld from his wages as a professional football player so that he would owe no additional taxes with the timely annual filing of his personal income tax return.

2. Antowain Smith was a wage-earning taxpayer who played professional football for the Buffalo Bills and New England Patriots of the National Football League during the years 1998 through 2002; Smith sought to have enough taxes withheld from his wages as a professional football player so that he would owe no additional taxes with the timely annual filing of his tax return.

3. Anthony Welch solicited and was given the responsibility for preparing and filing the personal tax returns of Joe Bowden and Antowain Smith for tax years 1997 through 2002.

4. Welch prepared and filed tax returns for Joe Bowden for the years 1997 through 2000 in which he surreptitiously included material false and fraudulent deductions so that he could obtain, divert unto himself and consume fraudulent income tax refunds totaling approximately \$717,527.

5. Welch prepared and filed tax returns for Antowain Smith for the years 1998 through 2002 in which he surreptitiously included material false and fraudulent deductions so that he could obtain, divert unto himself and consume fraudulent income tax refunds totaling approximately \$1,405,845.

6. Welch surreptitiously used bogus mailing addresses and opened bank accounts under Bowden's and Smith's names and arranged for the fraudulent refunds to be deposited into those accounts. Welch caused Bowden's and Smith's signatures to be forged to various documents in order to deposit, transfer and consume the proceeds of the fraudulent refunds.

Counts One through Four

(26 U.S.C. 7206(2) - Aiding and Assisting in the
Preparation and Presentation of False Tax Returns)

That on or about the dates set forth below, in the Houston Division of the Southern District of Texas and elsewhere,

Anthony Quinn Welch

defendant, did willfully aid and assist in, and procure, counsel, and advise, the preparation and presentation to the Internal Revenue Service of U.S. Individual Income Tax Returns, Forms 1040, either individual or joint, for the taxpayers and calendar years listed below, which were false and fraudulent as to material matters in that they represented that the taxpayers were entitled under the provisions of the Internal Revenue laws to claim the following items in the amounts listed below, whereas, as the defendant then and there well knew and believed, the taxpayers were not entitled to claim such items in the amounts claimed:

<u>Count</u>	<u>Taxpayer</u>	<u>Tax Year</u>	<u>Date Filed</u>	<u>Falsely Claimed Items</u>	<u>Amount</u>
1	Antowain Smith	2000	02/15/01	Real Estate Taxes (Schedule A, Line 6)	\$ 44,780.00
				Personal Property Taxes (Schedule A, Line 7)	\$ 35,559.00
				Charitable Contributions (Schedule A, Line 15)	\$ 29,800.00
				Business Loss (Schedule C, Line 31)	\$ 466,962.00
				Refund To Taxpayer (Form 1040, Page 2, Line 67a)	\$ 160,238.00

<u>Count</u>	<u>Taxpayer</u>	<u>Tax Year</u>	<u>Date Filed</u>	<u>Falsely Claimed Items</u>	<u>Amount</u>
2	Antowain Smith	2001	07/15/02	Real Estate Taxes (Schedule A, Line 6)	\$ 63,014.00
				Personal Property Taxes (Schedule A, Line 7)	\$ 24,852.00
				Home Mortgage Interest (Schedule A, Line 10)	\$ 19,600.00
				Charitable Contributions (Schedule A, Line 15)	\$ 17,400.00
				Business Loss (Schedule C, Line 31)	\$ 298,622.00
				Rental Real Estate Loss (Schedule E, Line 26)	\$ 54,060.00
				Refund To Taxpayer (Form 1040, Page 2, Line 68a)	\$ 154,698.00

<u>Count</u>	<u>Taxpayer</u>	<u>Tax Year</u>	<u>Date Filed</u>	<u>Falsely Claimed Items</u>	<u>Amount</u>
3	Antowain Smith	2002	02/24/03	Real Estate Taxes (Schedule A, Line 6)	\$ 238,850.00
				Personal Property Taxes (Schedule A, Line 7)	\$ 26,844.00
				Home Mortgage Interest (Schedule A, Line 10)	\$ 88,200.00
				Charitable Contributions (Schedule A, Line 15)	\$ 190,000.00
				Business Loss (Schedule C, Line 31)	\$2,621,747.00
				Partnership Loss (Schedule E, Line 31)	\$ 386,483.00
				Refund To Taxpayer (Form 1040, Page 2, Line 67a)	\$ 702,210.00

<u>Count</u>	<u>Taxpayer</u>	<u>Tax Year</u>	<u>Date Filed</u>	<u>Falsely Claimed Items</u>	<u>Amount</u>
4	Joe Bowden	2000	05/14/01	Real Estate Taxes (Schedule A, Line 6)	\$ 38,213.00
				Personal Property Taxes (Schedule A, Line 7)	\$ 34,200.00
				Home Mortgage Interest (Schedule A, Line 10)	\$ 88,650.00
				Business Loss (Schedule C, Line 31)	\$ 725,585.00
				Refund To Taxpayer (Form 1040, Page 2, Line 67a)	\$ 272,410.00

In violation of Title 26, United States Code, Section 7206(2) and Title 18 United States Code Section 2.

Counts Five and Six
(18 U.S.C. §287 - Filing False Fictitious and Fraudulent Claims)

On or about the dates set forth below, in the Houston Division of the Southern District of Texas and elsewhere,

Anthony Quinn Welch

defendant herein, a resident of Houston, Texas, aided and abetted by others both known and unknown to the Grand Jury, knowingly made and presented, and caused to be made and presented, to the Internal Revenue Service, an agency of the Department of the Treasury Department, false and fraudulent claims by preparing and causing to be prepared, and by filing and causing to be filed, the following listed U.S. Individual Income Tax Returns, Forms 1040, which were presented to the United States Treasury Department, through the Internal Revenue Service, wherein a refund of taxes was claimed in the amounts listed below:

<u>Count</u>	<u>Date of Offense</u>	<u>Taxpayer</u>	<u>Refund Year</u>	<u>Basis for False Claim</u>	<u>Amount Claimed</u>
Five	07-15-02	Antowain Smith	2001	False Schedules A, C & E	154,698
Six	02-24-03	Antowain Smith	2002	False Schedules A, C & E	702,210

In violation of Title 18, United States Code Sections 287 and 2.

A TRUE BILL:

Foreperson of the Grand Jury

DONALD J. DeGABRIELLE, JR.
UNITED STATES ATTORNEY


Jimmy Sledge Jr.
Assistant U.S. Attorney